GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2223
ANSWERED ON:29.07.2016
Overstating Growth Rate
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Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Government is aware of the reported US Government statement about India"s 7.5% growth rate for the year 2016-17 which is overstated;

(b) if so, the details thereof; and

(c) the reaction of the Indian Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) and (b): The "Investment Climate Statements for 2016", brought out by the Bureau of Economic and Business Affairs of the United States, mentioned that depressed investor sentiment suggests that the approximately 7.5 per cent growth rate of India may be overstated.

(c): From time to time, research organizations, international organizations and agencies of other governments do bring out certain analysis which Government of India takes note of and useful recommendations, if any, are taken as inputs for policy-making. The fact that the Gross Foreign Direct Investment inflows were the highest at US Dollar 55.5 billion in 2015-16 indicates positive global investor sentiments towards the Indian economy. In 2016-17, the data available for April-May indicates a continuance of robust inflows. Besides, GDP growth is also significantly determined by final consumption expenditure which contributed about 58 per cent of the GDP growth in 2015-16, which has been estimated at 7.6 per cent by the Central Statistics Office. The methodology followed in the collection, complication and dissemination of the National Accounts Statistics is based on, to the extent possible, the recommendations of System of National Accounts, 2008 of the United Nations. The Central Statistics Office has, so far, not brought out any estimate of the growth rate of the economy for the year 2016-17.

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